

Statement Summary of John K. Durst

Thank you for inviting me to testify today on the topic of the state of our tourism industry post 9/11.

Travel and tourism has become South Carolina's number one industry. It employs one in eight of our workforce and generates over three quarters of a billion dollars in state and local taxes.

In the aftermath of September 11 we moved aggressively to address the challenges presented to our industry. Governor Hodges convened a statewide Summit on Tourism and Travel which produced a 10-point plan for recovery and formed a special Tourism Resilience Committee to work with the industry and the state's Department of Parks, Recreation & Tourism to implement the summit's recommendations. Governor Hodges, and our state Budget and Control Board provided an emergency \$2 million for increased tourism marketing. These funds were leveraged with dollars from our private sector partners.

The results of these partnerships between state government and our private sector partners were dramatic. In the past twelve months, every measurable segment of our industry has shown recovery.

I should note that our state is a major drive destination for leisure travelers. We are not dependent, as many other states are, on air transportation to maintain our industry's travel health. Nor are we as dependent upon the business traveler or conventions and meetings, though they do comprise an increasing segment of our tourism economy. We are cognizant that the travel industry's overall health is dependent upon the continued strength of our sister state's tourism industries - for we are all interrelated and interdependent.

Continued state revenue shortfalls are having major negative impacts on our ability to market, and thus sustain, our tourism industry's momentum, limiting our ability to generate much needed state revenue. At the very time we need to generate revenue the most - our efforts are impaired due to state agency budget reductions due to revenue shortfalls.

It is with this in mind that we believe that a strong partnership - based on the successful partnerships we have developed between our state and our private sector partners - must be forged between the states and the federal government, in order to move significantly forward.

I would like to suggest that two arenas in which this partnership can have a major and measurable impact involve both the domestic and international travel sectors.

First, state tourism development of international markets is dependent upon reliable data to guide our strategic planning. The current "In-flight Surveys" of international travelers has been so under-funded that it provides insufficient sample size for any reliable analysis. The success of this program relies on sufficient, reliable funding for the surveys and voluntary cooperation by the airlines in helping to administer the surveys, which are distributed during flight service. We respectfully submit that it is imperative that sufficient funding be provided to the Office of Tourism Industries in the U.S. Department of Commerce, on a consistent basis, to better assist individual states and regions in marketing to overseas audiences.

And secondly, we would further respectfully submit that it is in both our interests, federal and state, to forge a cooperative partnership that helps leverage existing state government expenditures for travel and tourism advertising and assists with marketing efforts to regain traveler confidence. To this end, we would request your support of legislation similar to that introduced late last year to grant federal funds to states based on tourism advertising dollars expended.

Mr. Chairman, Thank you again for this opportunity to address the committee.